

TORM



Leading product tanker operator with strong cash generation and fleet optionality



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Corporate customer

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Key Financials and Valuation



Share price



YTD	45.9%	1 year:	53.8%
1 month:	20.2%	3 years:	-26.9%

Note: We apply closing price from 05 March 2026. Source: S&P Capital IQ Pro.

Financials

USDm	2024	2025	2026E
Revenue (total)	1,559	1,339	
TCE income	1,135	910	850 - 1,250
TCE Growth	4.7%	-19.8%	-7% to 37%
EBITDA	844	571	500 - 900
EBITDA-%	54.1%	43.1%	-
Net income	612	286	-
Net debt	954	845	-
Market value	1,874	2,025	2,904
EV/Sales (x)	1.7	2.0	3.4
EV/EBITDA (x)	3.1	4.7	6.0
EV/EBIT (x)	4.0	7.6	9.4
P/E (x)	3.1	7.1	7.8
NAV	2,854	2,603	-

Note: Margins calculated against total income not TCE income. NAV is self reported. 2026E is TORM's own guidance.

Guidance 2026E

USDm	TORM	Consensus
TCE earnings	850 - 1,250	1,106
TCE growth-%	-7 to 37%	21.6%
EBITDA	500 - 900	618
EBIT	-	398
Net income	-	374

Note: Guidance is from TORM's FY 2025 annual report. Consensus from S&P Capital IQ.

Valuation Perspectives

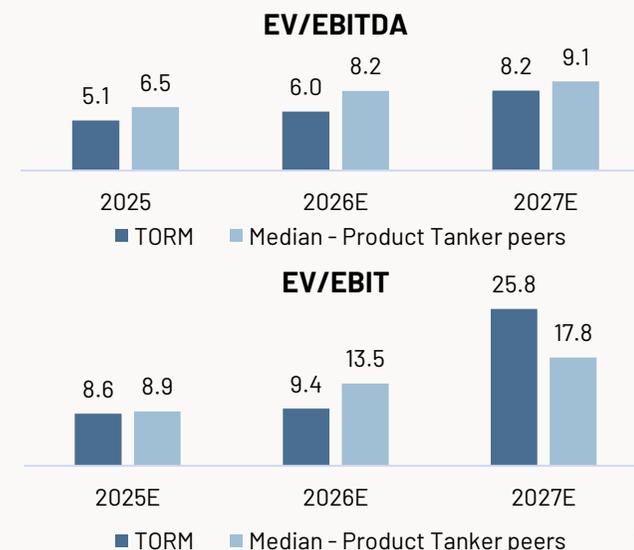
TORM trades broadly in line with product tanker peers on forward earnings multiples. On 2026E consensus estimates, TORM's EV/EBITDA of 6.0x compares to a peer median of 8.2x, with the gap narrowing on 2027E (8.2x vs. 9.1x median). On EV/EBIT, the picture is similar at 9.4x versus the peer median of 13.5x for 2026E.

TORM stands out on shareholder returns, where the estimated 2026E dividend yield of 8.2% is the highest among peers and well above the median of 5.0%, reflecting the consistent quarterly payout policy and the direct earnings leverage from its strong spot rate. The 2027E yield of 5.9% also remains above the peer median of 4.2%, suggesting durable income appeal even if rates moderate.

At a current share price of DKK 185.2 (USD 28.7), TORM trades at a ~12% premium to its year-end (self-reported) NAV per share of USD 25.7. However, this NAV was calculated using broker valuations as of 31 December 2025 – prior to the surge in tanker rates and vessel values driven by the Iran crisis. With tanker asset prices rising sharply in recent weeks alongside record freight rates, the underlying fleet value has likely appreciated, narrowing or possibly eliminating the NAV premium at current levels. TORM exited 2025 with a P/NAV around 0.78x.

Despite recent share price appreciation, TORM offers a solid dividend profile, particularly if the current strong rates endure for a sustained period.

Valuation multiples (x)



Investment Case – Strong cash generation in a supportive freight market



Key Investment Reasons

- TORM generates leading ROIC among peers, with its One TORM platform delivering a quantifiable rate premium (~23% of 2025 dividends attributable to MR outperformance). TORM returned USD 2.12/share in 2025 (~74% payout) and maintains a solid balance sheet (29.4% LTV) that supports both dividends and opportunistic fleet growth.
- The market backdrop is supportive with a sustained closure of the Strait of Hormuz disrupting ~20% of global oil supply flows, while record crude tanker rates are pulling LR2 vessels into dirty trades. European and US West Coast refinery closures further drive long-haul ton-mile growth.
- Fleet supply remains tight and order activity has slowed (8.2m dwt 2025 vs 22.9m 2024), pointing to potentially low net fleet growth toward the end of the decade, reinforced by an aging fleet (17% over 20 years).

Company description: TORM is a leading international owner and operator of product tankers, transporting refined oil products globally. TORM is listed on Nasdaq Copenhagen and on the Nasdaq US with a large shareholder Oaktree Capital Management (26%) and Hafnia (14%). Its fleet comprises 93 vessels (mostly scrubber fitted) across LR2 (21), LR1 (10), and MR (62) segments, with ~4,000 employees worldwide. TORM operates an integrated commercial and technical platform (One TORM) that optimizes fleet deployment across spot and time charter markets. The company has a 135+ year heritage in shipping.

Investment case: TORM is one of the largest product tanker companies in the world, transporting refined oil products like gasoline, diesel, and jet fuel across global trade routes. The company's integrated ONE-TORM platform (positioning ships where earnings are highest) and scale across all vessel classes supports consistent best in-class incomes per vessel. TORM delivered USD 571m in EBITDA in 2025, generating substantial cash even as freight rates came off their cyclical peaks.

Guidance suggests a return to growth in 2026E with EBITDA up ~23% at the midpoint (USD 700m), though the range is wide (USD 500m-900m) given



Key Investment Risks

- TORM operates in volatile spot markets. A resolution to the US-Iran conflict, reopening of the Strait of Hormuz, or easing of Russian sanctions could quickly reduce freight rates. Tariffs and trade policy uncertainty may also weigh on global oil demand.
- Crude tanker cannibalization, where crude tankers enter the clean product trade, is currently suppressed by record crude rates but could return if crude markets soften, increasing effective product tanker supply.
- The orderbook has risen to around ~16% of the fleet with accelerating deliveries in 2026-2027, which could pressure rates if demand growth disappoints. Sanctions (1 in 4 Aframax/LR2 vessels now sanctioned), geopolitical conflict and potential scrapping partially offset this risk.

geopolitical uncertainty. The recent US-Iran conflict and effective closure of the Strait of Hormuz – through which ~20% of the world's daily oil supply passes – is pushing tanker rates to record levels, with strength spilling directly into the product tanker market.

The global product tanker fleet is the oldest it has been in twenty years, with 17% of vessels now over 20 years old and ripe for scrapping. At the same time, new orders have slowed dramatically, with the orderbook currently standing at ~16%. International sanctions on roughly 10% of the global fleet, also reduces vessel supply in the open market, which is particularly relevant with the renewed conflict in Middle East potentially lifting ton-miles as refined oil must flow along longer routes to avoid conflict.

TORM paid USD 2.12 per share in dividends for 2025, returning roughly 74% of net profit to shareholders, while maintaining a conservative 29.4% loan-to-value ratio and over USD 560m in available liquidity. Because TORM operates primarily in the spot market, any sustained rate improvement flows almost directly to the bottom line and, in-turn, to dividends.

Peer Group (1/2) - Product tanker peers

Our TORM peer group comprises companies with significant exposure to the international refined petroleum products transportation market. TORM's fleet comprises 93 vessels (83 owned, 10 under sale-and-leaseback, plus recent deliveries) spanning all major product tanker classes: LR2, LR1, and MR. The fleet operates primarily in the spot market through the company's integrated One TORM platform, which differentiates it from peers through consistently market-leading TCE rates per vessel.

Product tanker peers: Hafnia Ltd. (~123 vessels, commercially operates 200+), Scorpio Tankers Inc. (~93 owned/leased vessels), Ardmore Shipping Corp. (~26 vessels, MR and chemical tanker focused), International Seaways Inc. (~74 vessels, diversified across crude and product tankers including VLCCs, Suezmaxes, and MRs), and d'Amico International Shipping S.A. (~33 vessels, MR and LR1 focused). Hafnia

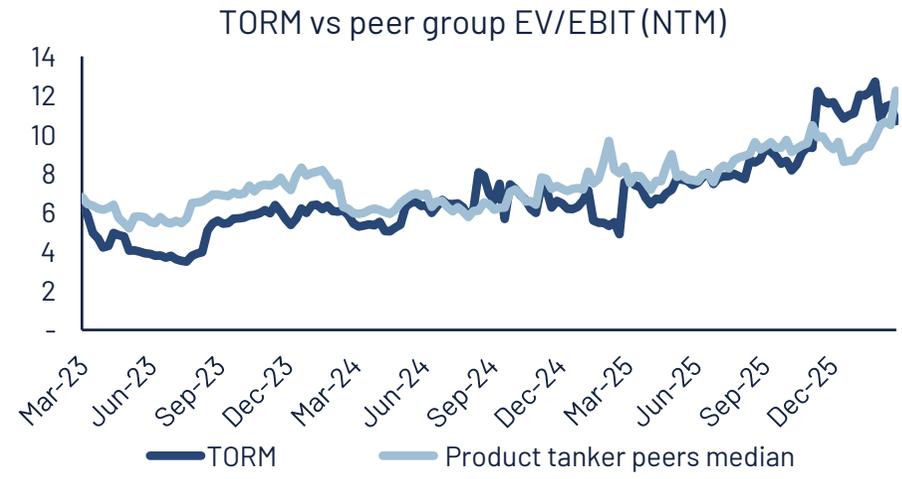
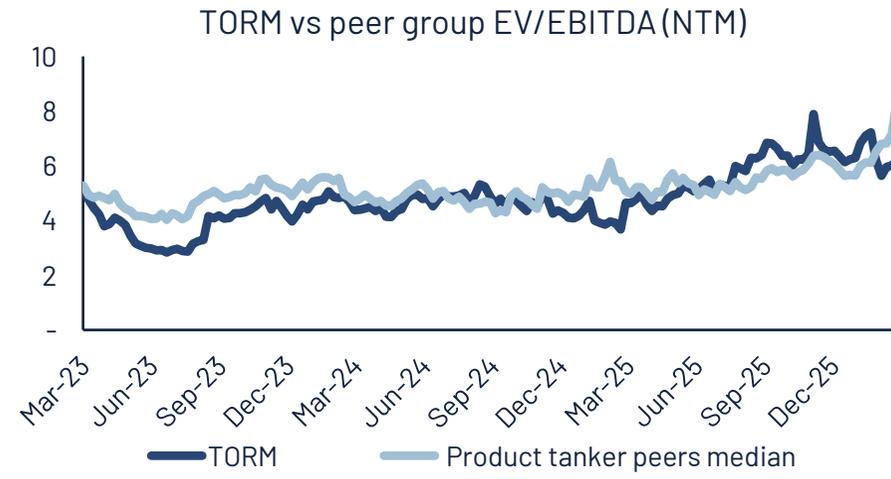
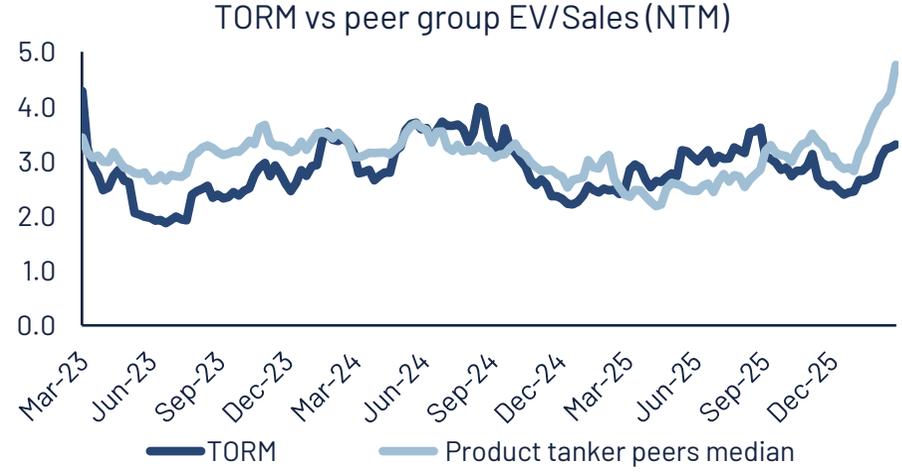
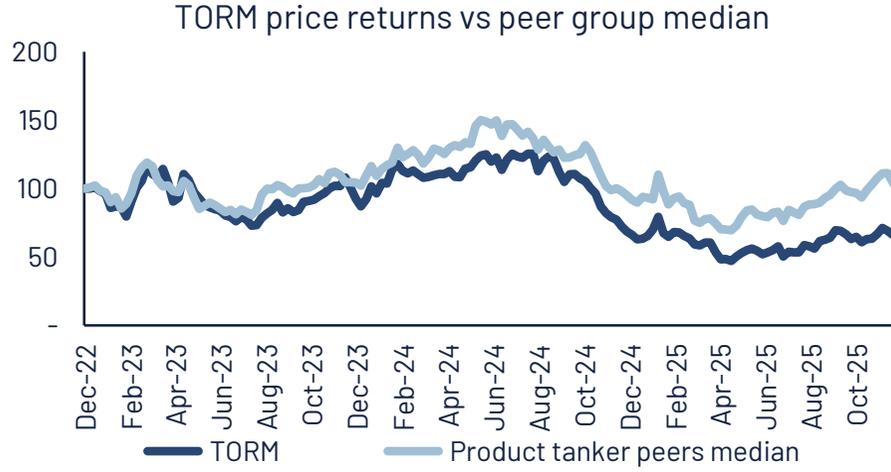
and Scorpio are the most directly comparable given their fleet scale and product tanker focus, while International Seaways offers a broader crude/product tanker mix and Ardmore and d'Amico are smaller, more niche operators.

Company	Price	Total return	Market cap	EV	EV/EBITDA		EV/EBIT		PE		Div yield	
	(local)	YTD	(USDm)	(USDm)	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Hafnia Ltd.	NOK 71.3	34.1%	3,653	4,710	8.0	9.1	11.6	13.2	12.2	12.5	8.6%	6.8%
Scorpio Tankers Inc.	USD 78.7	54.9%	3,708	3,576	7.2	8.4	10.9	14.1	13.4	16.4	2.3%	2.6%
Ardmore Shipping Corp.	USD 16.1	53.2%	657	739	8.2	10.1	11.2	15.1	17.5	29.6	N/A	N/A
International Seaways Inc.	USD 72.6	49.4%	3,586	3,995	8.8	9.8	12.0	16.0	13.6	19.2	7.3%	5.2%
d'Amico Intl Shipping S.A.	EUR 7.3	47.2%	1,005	1,088	8.7	8.1	13.6	13.2	NA	NA	2.6%	3.2%
Median - Product tanker peers		49.4%	3,586	3,576	8.2	9.1	11.6	14.1	13.5	17.8	5.0%	4.2%
TORM plc	DKK 185.2	45.9%	2,904	3,736	6.0	8.2	9.4	25.8	7.8	12.4	8.2%	5.9%
					-26%	-10%	-19%	83%	-43%	-30%		

Note: data from 05/03/2026

Source: S&P Capital IQ

Valuation vs. Peers

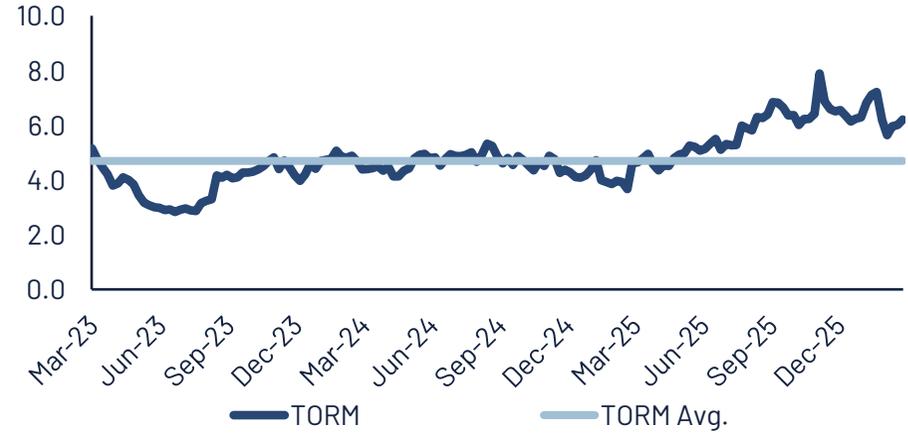


Valuation vs. Historical

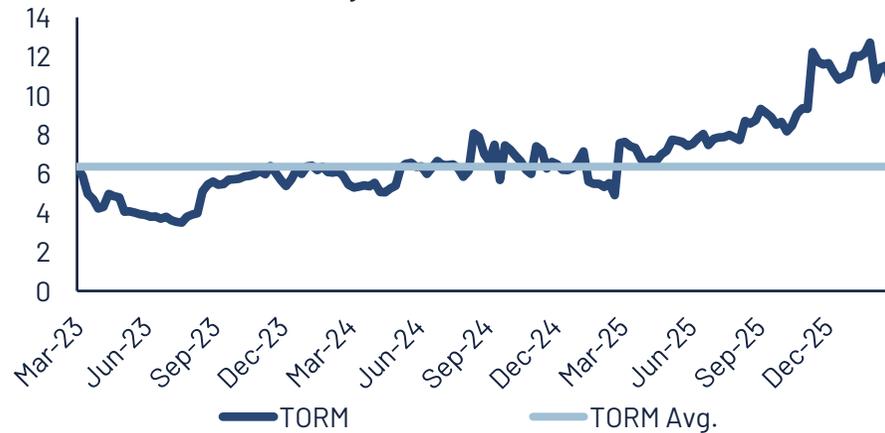
TORM vs 3-year median EV/Sales (NTM)



TORM vs 3-year median EV/EBITDA (NTM)



TORM vs 3-year median EV/EBIT (NTM)



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